MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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MINUTES
HJR 35 SUBCOMMITEE

August 19, 1999
Helena, Montana

The first meeting of the House Joint Resolution (HJR 35) subcommittee was called to order by Senator Chuck Swysgood, Chair, on August 19, 1999 at 8:00 a.m., in Room B-7 of the Federal Building. Representative Taylor was appointed Vice-Chair. All members were present. The members are:

Senator Swysgood, Chairman	Representative Taylor, Vice-Chair
Senator Keenan	Representative McCann
Senator Waterman	Representative Barnhart
Senator Franklin	Representative Soft

Senator Swysgood summarized the purpose of the HJR 35 study. HJR 35 directed the Legislative Finance Committee (LFC) to study public mental health services. The LFC created a subcommittee of 8 legislators, with four appointed from the LFC, 3 from the Children, Families, Health and Human Services Interim Committee and 1 from the Legislative Audit Committee.

The goal of this subcommittee is to address some of the mental health issues and how to improve the system both financially and mechanically. At the end of its tenure the subcommittee will make a report to the LFC for recommendations to the next legislative session.

Review HJR 35 and LFC Study

Lois Steinbeck, Senior Fiscal Analyst, briefly discussed HJR 35 and the Mental Health Managed Care Interim Oversight/Study. (Exhibit 1), a report prepared for the LFC. Susan Fox, Research

Analyst, Legislative Services Division, drafted HJR 35 and is also staff support to this subcommittee along with Greg Petsch, Director, Legal Services Office. All of the major concerns that had been presented before and during the legislative session were included in HJR 35.

At the time HJR 35 was passed, the legislature anticipated that the Department of Public Health and Human Services (DPHHS) would implement a new mental health managed care system by the beginning of fiscal year 2001 (July 1, 2000). Since adjournment of the legislature, DPHHS implemented a fee-for-service mental health system and plans to incrementally change the fee-for-service system. At this point in time, DPHHS does not plan to substitute a new managed care system for the current fee-for-service system.

The LFC adopted a broad study plan that allows the subcommittee to apply elements of HJR 35 as necessary. The LFC defined four topic areas for the HJR 35 study.

The first topic is review and analysis of termination of the Mental Health Access Plan (MHAP) contract with Magellan Behavioral Health Services, particularly the status and use of the $12 million reserve fund and the MHAP claims paid, pending and denied. Second is review and analysis of the fee-for-service system that was implemented July 1, 1999. The third topic is review, analysis, and oversight of new mental health managed care plans or proposed programs and developed by DPHHS. The final topic is review and analysis of mental health managed care independent of what the Department might be proposing, with an emphasis on studying other states' public mental health managed care programs.

Additional Information- Ms. Steinbeck distributed an updated Montana State Hospital census for July. (Exhibit 2) It shows a reduction in the Average Daily Population (ADP), from 173 in June to 161 in July. DPHHS prepares this summary to track the state hospital population. An update will be provided at each meeting. A copy of an email letter from the Billings Region III, Citizens Advisory Council concerning difficulties Billings consumers are experiencing with the Montana Mental Health Services Plan changes was also distributed to the subcommittee. (Exhibit 3)

Ms. Steinbeck explained that the Committee Issues and Ideas summary discusses a pilot program that DPHHS is going to fund. (Exhibit 4) The PACT (Program of Assertive Community Treatment) program is scheduled to start November 1. There will be 2 pilots with 1 in Helena and 1 in Billings. Each will accept 40 individuals. Twenty-four of each 40 are to be from the Montana State Hospital. The pilot will have gradual enrollment so the final group of individuals will be enrolled mid March 2000.

Senator Swysgood asked DPHHS when the subcommittee could expect to see the ADP down to 135. Randy Poulsen, DPHHS (Bureau Chief, Mental Health Services Bureau), reported that at the time the 135 figure was developed for the executive budget, the Department was in the midst of the managed care program. Montana Community Partners had developed a plan for gradually decreasing the state hospital population and had implemented that plan and was making progress. That plan is no longer operable. The Department feels comfortable with the decrease in population with the plans that are being made for the PACT program. Also, community providers are more willing to take people out of the hospital now that there is some stability in the system. DPHHS anticipates that the population figure will average 135 or less for the fiscal year.

Representative McCann asked Mr. Poulsen when the community based services would be available to move persons from the state hospital who could be served in the community. Mr. Poulsen stated that there was not a formal schedule at this time. The PACT program is scheduled to begin November 1 and move through next spring. DPHHS doesn't have formal agreements with the mental health centers that the center will take a certain number of people from the hospital into the community by a given date.

Senator Swysgood requested that someone from the Department, the Montana State Hospital and/or mental health centers be available at these meetings to respond to specific questions. Laurie Ekanger, Director DPHHS, stated there would be someone from the state hospital at every meeting. Ms. Ekanger also invited the subcommittee members to visit the new facility, which is under construction.

Mental Illness - Adult

Dana Hillyer, psychiatric nurse, St. Peter's Hospital discussed severe and persistent mental illnesses that occur in adults. Her focus was on schizophrenia, major depressive disorder, bipolar disorder, obsessive-compulsive disorder and panic disorder. A copy of her testimony was distributed. (Exhibit 5).

Sandy Mihelish is the State Director for NAMI (Nation's Voice on Mental Illness), Family to Family Education Program and a family member of an adult with mental illness. Ms. Mihelish teaches a 12-week education course to family members regarding serious mental illness and some of the complexities involved in treatment. She discussed some facts about NAMI, which was started in Madison, Wisconsin in 1979. A copy of Ms. Mihelish's testimony was distributed. (Exhibit 6).

In response to a question by **Senator Swysgood** regarding how long it takes to obtain the right diagnosis, Ms. Mihelish stated that from a family perspective, it could take anywhere from 2 to 6 years. If a child starts exhibiting symptoms at age 16 it is hard to determine whether the symptoms are a phase the child is in or if they are becoming mentally ill. There are more accurate diagnostic tools now and hopefully the timeliness of a diagnosis will get better. Ms. Hillyer responded from a provider perspective. There are studies that show it can take up to 10 years for a person to receive a correct diagnosis. Oftentimes a person who is in a severe manic episode looks similar to someone with schizophrenia. Also, misuse of drugs and alcohol can make diagnosis very difficult. People with duel diagnoses have to have treatment for both serious mental illness and chemical dependency. Ms. Mihleish commented that due to the stigma surrounding mental illness people don't seek treatment so they self-medicate with alcohol and drugs to feel better.

New Mental Health Services System

Randy Poulsen, Chief, Mental Health Services Bureau, DPHHS, distributed three handouts; 1) the New Mental Health Services System (Exhibit 7); 2) monthly data sheet (Exhibit 7A); and 3) overview of funding for mental health services FY92-FY00 (Exhibit 7B). Mr. Poulsen updated

the subcommittee on the status of the new mental health system and responded to questions from subcommittee members regarding various issues. The system was implemented July 1, 1999 is a managed fee-for-service system. Some of the positive aspects of the new system are: 1) the preservation of the pharmacy benefit for the non-Medicaid consumers; 2) rigorous management of high-end services and elimination of the "micro-management" of outpatient services; 3) establishment of uniformed service criteria for Medicaid and non-Medicaid members eligible for same services, except inpatient hospital; 4) establishment of uniform eligibility criteria for non-Medicaid consumers; 5) continuity of uniformity of services and of service providers; and 6) accountability by a single entity

The Department believes this program provides a structure that can serve as a basis for satisfying public mental health needs for an indefinite time. The program has four major components:

1. eligibility determination, which is done by the Public Assistance Bureau in the Division of Human and Community Services;
2. utilization management, which is performed by Mountain-Pacific Quality Health Foundation;
3. claims processing, which is being done by Consultec, the Medicaid claims payment agent; and
4. administration and oversight and policy making, which is done by the Mental Health Services Bureau.

Mr. Poulsen emphasized that there have been start-up problems with the eligibility system, delays in determining eligibility, and delays in authorization. The program in not in final form and changes are being made as needed. The Department has additional programs that are provided under separate contracts for: 1) telephone crisis capabilities in all of the regions through the mental health centers; 2) drop-in services with the drop-in centers; 3) a limited number of personal care facilities for mental health plan recipients; and 4) the PACT program when it is final.

Senator Waterman referred to the letter from Rimrock Foundation (Exhibit 8), which expressed concerns about the time it takes to get certification and also the requirement for three licensed professionals to approve placement in either inpatient or in partial hospitalization. Mr. Poulsen

stated these are some of the start-up problems he was referring to. In a conference call with a variety of agencies and providers in Billings the problem came up. Paulette Geach, chief contact with Mountain-Pacific Foundation, is aware of the problem and the Foundation has made authorization for crisis facilities a top priority. Ms. Geach indicated crisis authorizations are being done on a priority basis. The requirement for three people to sign on a certificate of need (CON) was implemented by the Department at the behest of community providers. Getting a case manager to sign off on certifications is causing the most delay. Community providers must determine whether or not they can serve the person in the community. Most facilities have made arrangements to have case managers available to sign off. Mr. Poulsen stated he does not feel the CON has created a significant problem and it is something that the Department wants to continue.

In response to a question by **Representative Soft** regarding the closure of an intermediate level group home in Yellowstone County and high-end services management, Mr. Poulsen responded that he was aware that Deaconess Hospital and three residential treatment centers were full but did not have any information regarding the closure of the group home. In talking with Child and Family Services Division his impression was that there was a crunch at that service level. He does not know if it is due to an ill distribution around the state and stated that utilization management should have the effect of making it more difficult for kids to get into Deaconess and should produce the need for those group home beds. **Senator Swysgood** requested Mr. Poulsen follow-up and provide a report at the next meeting.

In response to a question by **Senator Swysgood** regarding a plan that was developed by Montana Community Partners, Mr. Poulsen stated the Department asked Montana Community Partners in consultation with the Local Citizens Advisory Council to determine the various service gaps around the state. MCP prepared a prioritized list and the Department sent out a request for proposals to start up those services. **Senator Swysgood** asked Mr. Poulsen to make that plan available to the subcommittee.

Senator Waterman expressed the importance of having independent assistance in determining a plan for evaluating outcomes. The PACT program provides a lot of opportunity but persons need to be able to evaluate the effectiveness of the community programs.

Representative Soft would also like to see consultants available to the providers to help them develop their own outcome studies as a part of their programs.

Serious Emotional Disturbance - Children

Dr. Hugh Black, clinical psychologist, has practiced in Helena independently for 12 years and prior to that worked for Golden Triangle Mental Health Center. He was also part of the team that established the clinical program at Intermountain Children's Home. Dr. Black gave an overview of children's mental health needs and answered various questions from subcommittee members. He explained the differences in dealing with children who are seriously emotionally disturbed (SED) and adults who are seriously mentally ill. He also discussed the differences with children who are severely emotionally disturbed and children with problems. Dr. Black spoke about commonly believed misconceptions, children with dual diagnosis (children who are SED and developmentally disabled) and the basic principles for treatment. His ideas for a better system would be: 1) coordination of services; 2) better training for case management; 3) in home focus on family support; 4) parent education groups; 5) practical support, (i.e. transportation, day care, telephone); 6) sexual assault survivor groups for teens and adult women; and 7) thorough and early assessment evaluation for SED children. A copy of Dr. Black's testimony is attached. (Exhibit 9)

Committee Business

The committee tentatively adopted the following dates for the next five meetings:
Wednesday, October 6, 1999
Thursday, January 20 and Friday, January 21, 2000 (may visit Montana State Hospital)
Wednesday, March 8, 2000
Thursday, May 11, 2000
Friday, August 18, 2000

All of these dates with the exception of January 20 and 21 are in conjunction with meetings of either the LFC or the CFHHS (Children, Families, Health and Human Services Committee).

Ms. Steinbeck distributed registration forms for the Montana State Conference on Mental Illness scheduled for October 14, and 15 1999. She will send all the registrations in at one time and has made room reservations for everyone. The subcommittee will pay the costs associated with the conference.

Study Topics (Exhibit 10)

Senator Swysgood reviewed the survey sheet for potential study topics. The committee agreed on three issues of importance. They are: 1) outcome, evaluation and provider accountability; 2) integration of services; and 3) development of community services. Standing agenda items will be: 1) Montana State Hospital population census; 2) budget update; 3) status of MHAP claims paid and disputed claims; 4) mental health Oversight Advisory Council report; and 4) public testimony.

Panel Discussion on Children's Mental Health Services

Ms. Steinbeck briefly reviewed the questions the panel was asked to address. She also distributed to the committee a spreadsheet (Exhibit 11) concerning the estimate of mental health costs paid by Montana State Government in 1999. The panel members are: **Bob Runkel**, Administrator, Division of Special Education, OPI (Exhibit 12); **Chuck Hunter**, Administrator and **Kathy Ostrander**, Regional Administrator, Child and Family Services Division, DPHHS (Exhibit 13); **Dick Meeker**, Juvenile Probation Officer, First Judicial District; **Sue Jackson**, Chief, Field Services Bureau, Disability Services Division, DPHHS; **Lou Thompson**, Mental Health Services Bureau, DPHHS; and **Nita Johl**, Family Member (Exhibit 14).

Senator Swysgood thanked the panel for their comments and summarized the concerns they expressed:

Continuum of care - lack of integration of services among agencies

Funding/eligibility

Resources for families to access early intervention services

Single plan of care for a child served by multiple agencies
Community-based/state partnership
Provider expertise
The concerns raised by the panel were recorded by staff (exhibit 15).

Senator Swysgood asked if all the agencies funding these services ever get together and express their concerns. Mr. Runkel stated they do have regularly scheduled meetings between agencies, but it is usually regarding a particular situation not a global perspective on how to design the whole system to work together.

Senator Waterman asked if there was a program for a family to get assistance without abusing or neglecting their child. Mr. Hunter stated that the Division of Child and Family Services administers the Partnership Program. Families do not need to be adjudicated by the division to be in that program. Mr. Hunter believes there are other prevention programs around the state, but service availability is minor in comparison with the amount of need. Ms. Jackson responded that the Disability Services Division provides services to children with developmental disabilities as soon as they are aware that the child needs help.

Representative Soft stated that the subcommittee could not come up with the solutions. It is up to the agencies together with the providers to come to the subcommittee with a plan. Ms. Ostrander replied there is a group of providers and agencies in Helena that are meeting to discuss how to collaborate. They have some tough decisions to make regarding what the plan should be. Casey Family has been helping facilitate the meetings. They don't have any solutions now but they have some ideas.

Mr. Meeker replied that one of the key issues is the ability to use the funds that are available in a creative way. The Department of Corrections has established a pilot project where probation officers have the ability to use funding for community based services. Nonparticipants can not do that.

Mr. Runkel responded that some of the issues raised by panelists are not different from one another in terms of the example of someone being the orchestra leader on behalf of the child. It is important to know the family, intervene and support the family, and be available to the family on a 24 hour notice with the authority to call together the agencies that would be able to provide the supportive structure that is needed. Mr. Runkel believes there is potential for a solution in developing a system of putting together a plan that includes all the needs of the child in one document, what each of the agencies would be doing on behalf of the child and having a leader.

Representative Soft asked if that plan would be happening in a community by community basis or statewide. Mr. Meeker stated he feels it would have to be community by community with the state perhaps being a partner in getting it going. Each community offers a particular challenge.

Senator Keenan asked if grant money or other funding is available for entry into the system for parents in crises. Mr. Hunter stated that the Division of Child and Family Services has about $2.7 million per year, which includes general fund. The contracts are funded based upon a number of clients they can serve in a given year. Ms. Ostrander stated that the funds support Partnership Programs targeted for children ages 0 to 5. Status offenders would not have access to the Partnership Program.

Senator Franklin asked which would be the major problem, a lack of expertise in certain areas, lack of or mediocrity of services available or fragmentation of funding? Ms. Johl responded all of these are major concerns. Because of lack of funding, the decision as to what services are important in one community also determines what services that community is going to go without. There is not a lot of expertise devoted to transitional services because not a lot children fall into this category. Mr. Hunter commented that fragmentation of funding is seen in certain areas as very much an issue. There are a lot of children in the system because of drug affected parents. The money follows the child and does not necessarily follow the parent to provide substance abuse treatment opportunities.

Mr. Runkel stated that in regard to funding and integration of services we need to be sure that the funding available is effective in its intervention. Because the money is available whether a child

particularly needs that service or not, that is the service provided to the child. As a result, there is some inefficiency built into that design.

Representative Barnhart commented that the Interagency Coordinating Council (ICC) is also working on preventive issues.

Public Comment

Several representatives from various associations offered comments to the subcommittee regarding several issues. These included: Rep. Red Menahan; Bonnie Adee, Mental Health Ombudsman; Mike McLaughlin, Golden Triangle Mental Health Center; Anita Roessman, Montana Advocacy Program; Andrea Merrill, Mental Health Association of Montana; Jeff Folsom, AWARE; Brian Garrity, Mental Health Oversight Advisory Council; and Kathy McGowan, Montana Council For Mental Health Centers and Montana Association of Homes and Services For Children.

Next HJR 35 Subcommittee Meeting

The next HJR 35 subcommittee meeting is set for Wednesday, October 6, 1999 in room B-7 of the Federal Building.

Adjournment

Meeting adjourned at 4:00 p.m.

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Sen. Chuck Swysgood, Chairman

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Diane McDuffie, Committee Secretary